(c) It is planned to construct a Telephone Exchange Building on the plot in Cumbala Hill at Peddar and instal a new 18000 lines Electronic Exchange by the year 1991-92. Meanwhile, two 8000 lines capacity Remote Line Units are planned to be installed in the year 1989-90 and 1990-91 in the existing shed on this plot to give new telephone connections in the area.

Steps to ease the financial crisis of cement industry

1464. SHRI PARVATHANENI UPENDRA: Will the Minister of INDUSTRY be pleased to refer to the answer to Starred Question 92 given in the Rajya Sabha on the 29th February, 1988 and state:

(a) whether the financial health of the cement manufacturing units has deteriorated recently giving a jolt to the long-term investment plans for the cement industry; and

(b) if so, what are the details of the action taken by Government to redeem the situation?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) Representations have been received from cement industry that a number of cement factories are facing financial problems, due to increase in input costs and fall in market price of non-levy cement. The temporary recession in demand as a result of severe drought in many States could be a reason for the fall in market price. It is too early however to assess if the present condition will have any impact on long term investment plans.

(b) With a view to improve the economic viability of the cement industry, Government have recently announced the following incentives and reliefs to the industry. These are in addition to those mentioned in the answer given to Rajya Sabha Starred Question No. 92 on 29-2-88:—

(i) Levy obligation of sick cement units has been reduced from 30 per cent to 15 per cent of actual production with effect from 1-3-1988.

(ii) Levy obligation of pre-1982 units has been reduced from 50 per cent to 30 per cent of actual production with effect from 1-3-1988.

(iii) Levy obligation of units which commenced production sometime prior to 1-1-1982 but deemed to have started their production after 1-1-82, has been reduced from 30 per cent to 20 per cent of actual production with effect from 1-3-1988.

(iv) Excise duty on cement has been reduced from Rs. 225/- per tonne to Rs. 205/- per tonne with effect from 1-3-1988.

Crisis in the engineering industry in the western region

1465. SHRI PARVATHANENI UPENDRA: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that the engineering industry in the western region of the country is in a bad shape due to shortage of raw material, low capacity utilisation and financial constraints; and

(b) if so, what steps have been taken by Government to help the industry?

THE MINISTER OF INDUSTRY SHRI J. VENGAL RAO): (a) and (b) In respect of certain raw materials, the engineering industry is facing some shortage. Government have taken steps to arrange for the import of such raw materials as well as for augmenting their indigenous production so that industry is in a position to obtain its raw material requirements.

New incentive package for industrialisation of backward areas

1466. SHRI PARVATHANENI UPENDRA: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that Government have recently announced a